



The Senior Executive Service

The New SES Pay/Performance System

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT





The New SES Pay/Performance System

President Proposed in FY 2004 Budget

- **Passed as part of DoD FY 2004 Authorization**
- **Coupled with Homeland Security Act of 2002**
- **Complements Human Capital Performance Fund**

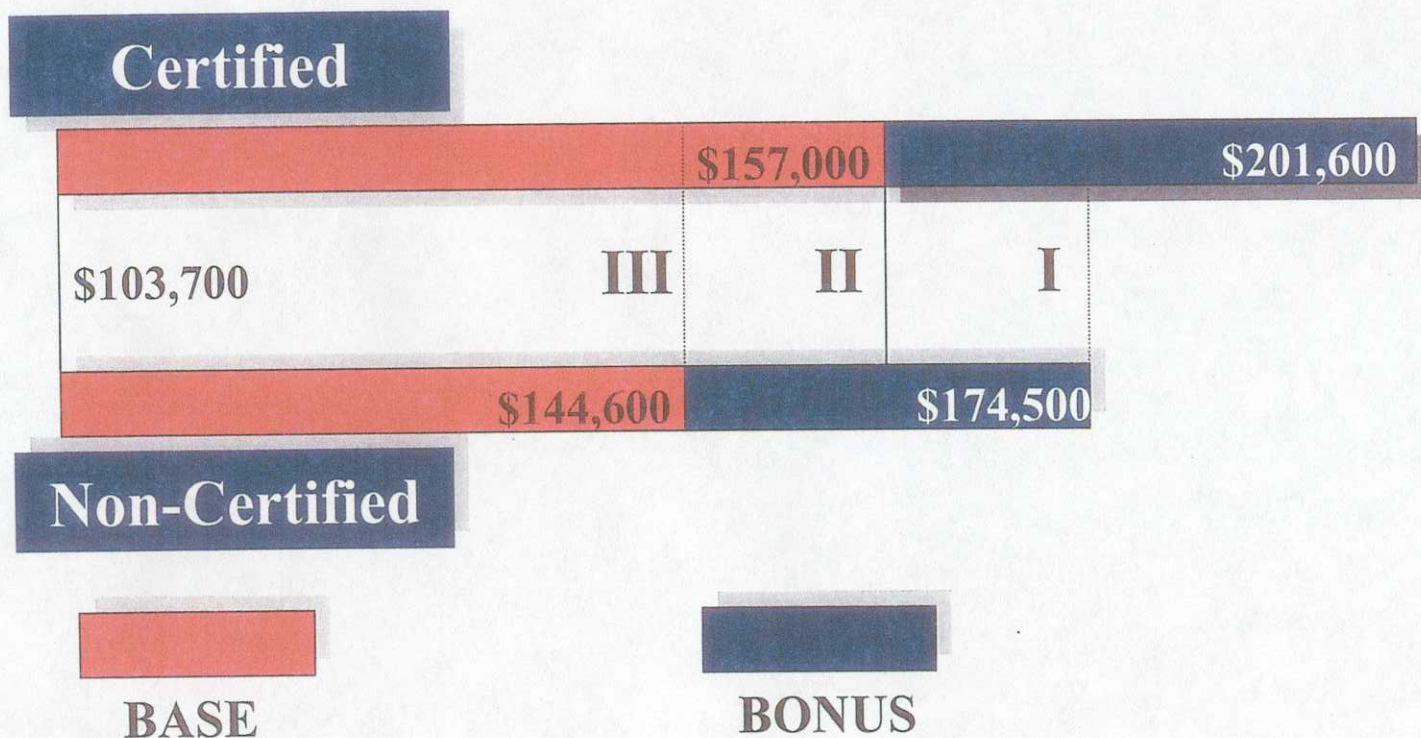
Premise: Higher Performance = Higher Pay

- **Greater Pay Range (Base, Aggregate)**
- **Higher Individual Base Pay Levels**
- **Locality, Across-the-Board Adjustments Eliminated**

The Foundation for a “Modern” SES Compensation System

The New SES Pay/Performance System

Single “Payband” of Minimum/Maximum Rates



The Foundation for a “Modern” SES Compensation System

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Conversion to the New SES Pay Range

- **Conversion Date:** First day of first applicable pay period beginning on or after January 1, 2004 (January 11 for most employees).
- **Conversion Rate:** Basic pay plus locality pay in effect **immediately prior** to January 11 converts to a new SES basic pay rate.
- For the 12-month period following January 11, agencies may not reduce an SES member's basic rate plus locality pay in effect on November 24, 2003.

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SES Pay Adjustments After Conversion

- Agencies may adjust an SES member's basic pay after conversion on January 11 (or any date thereafter) by any amount up to EX-III when—
 - The SES member's performance or contributions so warrant, and
 - The SES member is otherwise eligible.
- Limited to one pay adjustment every 12 months, with certain exceptions.

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Post-Employment Restrictions

- New salary-based “trigger” effective January 11 (for most employees).
- Any SES member whose basic rate after conversion equals or exceeds 86.5 percent of EX-II (\$135,805 in 2004) will be subject to post employment restrictions.
- Exceptions

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Other Issues

- Equivalent Systems
- Extension of Locality Pay
- Impact on SL/ST pay systems
- Certification